



Approved For Release 2004/03/31 : CIA-RDP80M00165A002100050002-5

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Executive Registry

17-5933

September 29, 1977

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Fall Budget Review for the 1979 Budget

OMB's fall review of the Administration's first budget begins this month and will culminate in the transmittal of the 1979 Budget in mid-January. It is essential that our organizations work together during this period to have an effectual and timely budget review process. It would be helpful if you would personally emphasize to your staff the importance of working with the OMB to assure that the fall budget process provides--within strict timing constraints--the information needed for the President to make the required budget decisions.

The President has approved the general plan for decision-making on the 1979 budget that is discussed below.

Budget discussions

As you know, the first step in the fall budget review is the transmittal this month of your 1979 budget request to the OMB. The OMB budget staff will be holding discussions with your staff after the material has arrived. These meetings help the OMB staff gain a better understanding of your budget requests and may help your staff to gain a clearer understanding of budget plans and objectives. You will want your staffs to use these discussions to present the best case for your budget request.

OMB Review

After your agency's budget discussions are concluded, the OMB staff will be reviewing the choices suggested in your zero-base submission. These activities include relating the alternatives to overall fiscal policy. The President must restrain federal spending in 1979 if he is to propose a 1981 budget that is in balance. As you can appreciate, any agency budget request that exceeds the President's planning ceiling will tend to force the budget total to depart from the path toward a balanced budget in 1981. If such increases are proposed, they will be scrutinized closely by OMB staff.

Presidential Budget Review

Beginning in mid-November, a series of meetings between the President and OMB will be held to consider each agency's budget. In those instances where OMB's recommendations differ from yours, care will be taken to present your views fairly and objectively. The President's budget decisions will be "passed back" to you or your staff following the Presidential review meeting. Because of the short time available to prepare the budget, we will ask that results of these decisions be incorporated into revised budget schedules at that time.

Appeals

In those cases where you feel that it is essential for the President to reconsider any decision made during his review, you should address a letter to the President, through the OMB. If you also feel that you should discuss your views directly with the President, we will arrange for such a meeting in a series of appeal sessions in early December.

My staff and I would be glad to discuss this process further with you and your staff.


James T. McIntyre, Jr.
Acting Director

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EXECUTIVE SECRETARIAT

Routing Slip

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Executive Secretary
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